Preserved

G. R. S. IX-5]

Previous references. P 12E

File No. 473-18

1918.

Serial Nos. 2 & 3

(67)

Later references.

Sec S-8-17-146.

67 20-9-18 & 8 April 1920

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2

Part B for January 1919

SUBJECT.

Loss on Exchange.

No: 2. From The Comptroller & Genl. No. 2008 1003 & 23.9.18.
Invites reference to his unofficial note of 13.5.18 and proposes that the loss on exchange due to the payment of W. L. Subscriptions in Gold in London & other remittances has to be adjusted as Extraordinary Expenditure & that the Contributions Rs. 50,000 made for this purpose to the Group Civil Administrator may be withdrawn.

No: 3. To
The Comptroller, No. 2134268 22.1.1919.
States that Genl. do not see the necessity of showing the Sterling amounts in the accounts at 1s. 4d. and treating the large difference as loss on exchange and adds that they desire that so long as the present high rate of exchange calls the Standard rate of exchange for purposes of account may be taken at 1s 2d in the rupee.

W D 1250—GPB—30,000 28-1-19

C.P. Hudleston 18/2/1919.

G. R. S. III—1] 1918. 9

GENERAL AND REVENUE SECRETARIAT.

(E7*)

NOTES.

E77 File No. 93-18

FILE HEADING.

Loss on Exchange

From The Comptroller

No. Book 1003 Dated 23. 9. 18 Received 26. 9. 18

Diary No. 1003	Enclos.	Spare Copies.	Serial No. 2

BRIEF ABSTRACT OF LETTER.

Invites reference to his Un official note of 13 Sept 18 and proposes that the loss on Exchange arising on the payment of W. L. Subscription in gold in London & other remittances has to be adjusted as Extra-ordinary Expenditure & that the Contributions made by £7,000 made for this purpose by the group Civil administration may be withdrawn,

NOTES AND ORDERS

Send for orders.

The Comptroller's proposal (1) & (2)

FOR 2/10.

NOTES—First Sheet.

WD 1232—GPB—20,000—18-11-1o

D 1000

G. R. S. III-2]

General and Revenue Secretariat. | 57 File No. 93 of 1918.

Serial No.

Maybe approved.

There are unusually heavy items of expenditure, of quite an exceptional character not contemplated in the F. S. Scheme. Vide para 13 of the order. The amount at the credit of the Govt. under varying reserve is being drawn upon in several directions. In any case the max fixed as the limit of expenditure does charged against it is 2 lakhs. In the present case the loss in exchange is 5 lakhs. Owing to other exceptional items, the losses on the remittance of the sum of 7 crores and the 3 items of 100 crores thro Mysore Bk and Cooks respectively may also be charged off as Ex. Expr.

896/25/10

(Henry) 28 24/10/18

3 When we are getting money remitted on a large scale at the current rates which is over 1s 6d per rupee I do not see the necessity of showing the amounts as remitted at 1s 4d & treating the large difference as loss on exchange. When transactions are

NOTE—Contn. sheet.

WD A 1739—GPB—60,000—20-8-18—S.

General and Revenue Secretariat. | G. R. File No. 93 of 1918.

Serial No.

at the current market rate, there is no real loss & to treat it as loss will create a totally wrong impression. When the standard rate is fixed at 1s 4d & the market rate fluctuates a little say 1/16th or 1/32nd above or below the normal there may be some justification for booking all transactions at the standard rate and treating the difference as gain or loss of exchange if that is convenient for purposes of calculation & book keeping. But such convenience shd not be secured by shewing large amounts as loss which are not loss. The Comptroller may therefore be required to shew in the books the rupee equivalent of ~~£~~ amounts transferred from London without shewing any gain or loss by exchange & rupee payts made from London balances may also be similarly treated.

M
12.11.18

Draft
15
12/11

Shd with Draft

M
17/11
20.

Note—Contra. sheet.

Recd 21/11

WD A 1759—GPB—60,000—20-3-18—S.

G. R. S. III-2j

4

General and Revenue Secretariat. | S.F. File No. 93 of 1918.

Serial No.

1 Clean draft put up as desired

Subd
with
23.11.18
MM

6 Please put up a clean draft revised as per pencil notes x
obtained from the Financial Secy.
Put up also the reference regarding
the rate at which the War Loan
Instal was paid

18
11.12.18.

Clean draft is put up. & colour
The file required. Secy. 9

Secy
12/12
MM

18
13/12

8 x correctly flapped
Secy
13/12

1315
14/12

M
17/12

2417
18/12

2nd Member)

18
17/12

9. Draft approved.

It seems to me that so long as the same rate of Exchange is calculated on both the debit & credit items - viz 1s.6d the Rate there can be no objection to adjustment of case as proposed by the Fin. Secy. But as observed by the Comptroller, the abnormal conditions of the past four years are not likely to last long

NOTE—Contn. sheet.

1000

5

General and Revenue Secretariat. | G. R. File No. 93 of 1918.

Serial No.

& a rehm to the standard rate for exchange i.e. 1s. 4d per Re. with perhaps be necessary before long. There is, however, no need to act now in anticipation of it.

Rus
20.12.18.

10 May the draft letter ?
20/12

Henry).

1406/20/12

10
30.12.18

11 Yes.
WS
17/1

Indian
18.1.19.

9 To the Comptroller
No. F 3436 & 22. 1. 19
State. that Govt do not see the necessity of showing the Sterling amounts in the accounts at 1s 4d & treating the Exchange as Difference as to an Exchange. & add that they desire that so long as the Account high rate of Exchange last

NOTE—Contn. sheet.

WD A 1739—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat.

W7 File No. 93 of 1918.

Serial No.	
B	Standard rate of exchange for purpose of accounts may be taken at 1s. 6d. per rupee

NOTE—Contn. sheet.

WD A 1739—GPB—60,000—20-3-18—S.

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore. In reply to this Comm. please refer to No. Book 1003

D 1000

G7 93-18-2.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 23rd ~~xxx~~ Septr. 1918.

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
~~Offg.~~ Comptroller to the Government of His Highness the Maharaja of Mysore.

To
Rajamantrapravina
....Dewan Bahadur J.S. Chakravarti....., ESQ., M.A., F.R.A.S.,
Secretary to the Government of Mysore,
.....Financial.....*Department.*

SIR,

I have the honor to invite reference to my Unofficial Note dated 13 May 1918 regarding the adjustment of loss on exchange. Now that the London balance has been utilised for payment of the -- subscription of 30 lakhs to the Second Indian War Loan and of the War gift of 10 lakhs, the question of adjustment in accounts of the loss on exchange requires to be settled.

The payment made in London is £300,000 (£225,000 plus £75,000) and this amount has been taken in our accounts as the equivalent of Rs.45,00,000. The Loan Subscription and the gift can be taken in our accounts only at Rs.40,00,000 and I therefore request permission to adjust the balance as Extra-ordinary Expenditure.

Similarly the loss on the remittance of £7,000 recently arranged for through the Mysore Bank and on any other remittance during the rest of the year, will also be adjusted as Extra-ordinary Expenditure. A provision of Rs.50,000 is included under the group "Civil Administration" for loss on exchange and this is by transfer from the Reserve for

8

Special Non-recurring Expenditure. When all loss on exchange is treated, as it has to be in the current year, as Extraordinary Expenditure, the contributions made for this purpose to the group Civil Administration is unnecessary and may be withdrawn.

(7)

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller.

CV/23-9

23.9.18

G. R. S. V1—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT

( )

, the *191* .

Date of issue.....

Signed by.....

Section G 7

File No. 9378

Serial No. 3.

No. H. 3436

dt 22—1—19

To

The Comptroller

Sir

With reference to your letter No Books 1003 dated 23.9.18 Soliciting ~~sanction~~ ~~to~~ ~~adjust~~ ~~the~~ sanction of Govt. to adjust, ~~the~~ suffered losses in exchange as Extraordinary Expenditure the difference of 5 lakhs between the sum of 40 lakhs, ~~viz.~~ made up by the State subscription to the Second Indian War loan (Subscription) (30 lakhs) and war gift (10 lakhs) paid in Sterling ~~in London at 1 shilling 6 pence~~ ~~etc.~~

over.

the rupee and the rupee equivalent of the sterling amount of £ 300000 paid at 1 shilling 4 pence. viz 45 lakhs of rupees as well as the loss on remittance of £ 70001- arranged ~~through the Mysore Bank~~, I am directed to state that in view of the fact that ~~funds from London are being obtained on a large scale at the current~~ of exchange has been over market rate ~~which are over~~ for a fairly long time past & is likely to remain in the neighbourhood of 1s 6d for a long time to come 1s. 6d. the rupee, Govt do not see the necessity of showing the sterling amounts as received at in the accts — 1s. 4d. and treating the large difference as Loss on Exchange.

They therefore desire that so long as the present high rate of exchange lasts the Standard rate of exchange for purposes of account may be taken at 1s. 6d. the rupee, at which rate the Subscription

List of enclosures.

Copied by

Examined by

W Ds6—GPB—60,000—15-11-16

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

to the war Loan and the war gifts were paid in London and that the difference between that Standard rate and the current rate at which amounts are transferred may be treated as loss or gain on exchange

I have ch

Rec'd 20.12.18

12/12

G.R.S.31] Office copy G.R.S.M—1,000—7-3-17

No. H3436 12

From Dewan Bahadur Rajamantrapravina
J. S. CHAKRAVARTI, Esq., M.A., F.R.A.S., etc.,

Financial Secretary to the Government of

His Highness the Maharaja of Mysore,

To

T. Satyaraj Chetty, Esq., B.A.,

Offg. Comptroller to the Government of

His Highness the Maharaja of

Mysore.

Dated Bangalore, the 22 January 1919.

SIR,

With reference to your letter No. Books 1003 dated the 23rd September 1918 soliciting sanction of Government to adjust certain supposed losses in Exchange as extraordinary expenditure I am directed to state that in view of the fact that the market rate of exchange has been over 1s. 6d. the rupee for a fairly long time past and is likely to remain in the neighbourhood of 1s 6d for a long time to come, Government do not see the necessity of showing the sterling amounts in the accounts at 1s 4d. and treating the large difference as loss on exchange.

They therefore desire that so long as the present high rate of exchange lasts, the standard rate of exchange for purposes of accounts may be taken at 1s. 6d. the rupee, at which rate the subscription to the War Loan and the war gift were paid in London and that difference between that standard rate and the current rate at which amounts are transferred may be treated as loss or gain on exchange.

I have the honor to be,
Sir,
Your most obedient servant,

for Financial Secretary to Government.

G.P.N.